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From: Morning Transportation
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Subject: POLITICO's Morning Transportation: Thune: Senate FAA bill is 'in a holding pattern' — Senate Commerce expected to move nominations — With skies wide open

By Brianna Gurciullo and Stephanie Beasley | 08/02/2017 10:00 AM EDT

With help from Lauren Gardner

'A HOLDING PATTERN': Sen. [John Thune](#) (R-S.D.) confirmed for us Tuesday what we've pretty much already known for a while: The upper chamber won't consider its FAA bill on the floor until September, when lawmakers come back from recess. Thune said the Senate will either pass the legislation, which would reauthorize the agency for four years, or a shorter term extension. The latter is looking more and more likely. "It's in a holding pattern at the moment," Thune said about the bill, [S. 1405 \(115\)](#). "But, one way or the other, we'll get on it. We'll get it done."

The sticking point: As for that controversial provision to change up training requirements for co-pilots, Thune said there's been no resolution yet. "But there will be obviously before we get to the floor with it," he said. When asked about the issue Tuesday, Senate Minority Leader [Chuck Schumer](#) (D-N.Y.) said: "Well, we're not gonna sacrifice people's safety."

NOM NOM NOMS: Later this morning, the Senate Commerce Committee is slated to move a handful of DOT nominees (and one NTSB member) to the floor, which means there will be even more names in play for a potential nominations package senators are hoping to clear before the August recess begins next week. "I'm hoping that a number of these that we're going to report out [Wednesday] will get included in a unanimous consent package," Thune told MT on Tuesday, adding that lawmakers are "trying to get as many on the cleared list as we can."

Nom-aste: To refresh Pros' memory, Derek Kan, President Donald Trump's pick to be undersecretary for transportation policy, has been waiting in the wings for more than a month since his committee approval. On deck today in committee are Ron Batory for FRA administrator, Mark Buzby to head the Maritime Administration, Steven Bradbury to be general counsel and Robert Sumwalt to serve another term at NTSB. (The nomination of Adam Sullivan for assistant Transportation secretary for governmental affairs is privileged and therefore doesn't require the panel's sign-off before a floor vote.) We'd hazard a guess that all of those names - with the exception of Bradbury, the vote for whom is expected to break along party lines - would be ripe for consideration for a noncontroversial package.

IT'S WEDNESDAY: Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. Steph and Brianna are driving the MT train, so please send along tips, feedback and lyrics to sbeasley@politico.com or @Steph_Beasley and bgurciullo@politico.com or [@brigurciullo](https://twitter.com/brigurciullo).

"Yeah, that's him again, the sound that engine in is like a bird. You see fireworks and Corvette tire skrrt the boulevard."

GET LISTENING: Follow MT's [playlist](#) on Spotify. What better way to start your day than with tunes (picked by us and readers) that are all about flying, driving, commuting and sailing?

WITH SKIES WIDE OPEN: Secretary of State Rex Tillerson met up Tuesday with air carrier and travel industry officials to chat about Open Skies. The attendees: David Bronczek, FedEx's president and COO; Robin Hayes, JetBlue's president and CEO; William Flynn, Atlas' president and CEO; Kevin Burke, Airports Council International-North America's president and CEO; and Roger Dow, the U.S. Travel Association's president and CEO.

Let's break this down: When it comes to Open Skies, FedEx, JetBlue and Atlas stand in opposition to United, American and Delta. The latter accuse Qatar and the United Arab Emirates of flying in the face of their Open Skies agreements with the United States by subsidizing their airlines. In the White House, officials have been talking about the controversy for months, as POLITICO's Andrew Restuccia and Michael Grunwald [reported](#). But the continuing strain between Qatar and Saudi Arabia decreases the chances that the U.S. government will make a decision anytime soon.

Where it stands: A State Department official told MT in a statement that the agency "remains in contact with all U.S. industry stakeholders who have expressed their differing views on a range of issues, including on the issues of Open Skies and subsidies to the Gulf Carriers." Burke told POLITICO that Tillerson "did not give a position" during the meeting. Tillerson "said that it really is an intergovernmental process they're going through. They've made no decision. Obviously, it includes the White House, it includes the Commerce Department, the Justice Department and maybe even DOD," Burke said. "I think they're keeping things very close to the vest," he added.

THE SENATORS BEHIND THE PROPOSED PFC CAP INCREASE: Airports are closer than they've ever been to the federal government raising the cap on Passenger Facility Charges, with a provision to do just that included in the Senate's DOT spending bill for fiscal 2018 that was favorably reported out of committee last week. Burke told us that a group of senators "banded together" to put the provision in the bill, including Sens. [Roy Blunt](#) (R-Mo.), the vice chairman of the Senate Republican Conference; [Patrick Leahy](#) (D-Vt.), the ranking member of the Senate Appropriations Committee; [Susan Collins](#) (R-Maine), the chairwoman of the THUD appropriations subcommittee; and [Jack Reed](#) (D-R.I.), the subcommittee's top Democrat.

Why not the FAA bill? Burke said senators who supported increasing the cap ruled out trying to do so through the Senate Commerce Committee's FAA reauthorization bill, which became controversial when the panel adopted an amendment during its markup to change co-pilot training standards. "There were a number of senators who knew that they couldn't help us on the Commerce Committee because Sen. Thune had some concerns on flight hours and some other issues and PFCs were not going to be put in the equation," Burke said. The future of the Senate measure to raise the PFC cap is uncertain and, of course, tied to the rest of the government funding process.

Enough about MT, tell MT about you: After the Washington Post wrote about American

Association of Airport Executives President and CEO Todd Hauptli's passion for cooking, we asked Burke if he had any secret talents. "I'm a carpenter. I make cabinets and moldings and stuff like that," Burke said. "I have not had one of Todd's meals yet and I'm going to threaten to come over to his house to have a meal with him. ... I'll make him a dining room table if he supplies me some gourmet meals."

LIVE YOUR LIFE WITH NO REGRETS: Trump doesn't seem to regret his decision to tackle health care first after his inauguration. "You know, a lot of people said you should have started with taxes or you should have started with infrastructure," Trump said in an interview with The Wall Street Journal. "Well, infrastructure I'll actually have bipartisan support, and I can use infrastructure to carry other things along. So I don't want to waste it at the beginning, if that makes sense." Check out the full transcript of the interview here.

DHS DUO: Sen. Ron Johnson (R-Wis.) said he hopes to travel to the White House soon to meet with ex-DHS Secretary John Kelly and discuss the future of the department under the Trump administration. With Kelly as the face of the agency and now-Acting Secretary Elaine Duke behind the scenes overseeing management of the agency, the two created "the perfect structure," Johnson told Steph. The question now is how will the agency be managed with Duke in the driver's seat and Kelly there to assist from the White House, he said.

Step up: Kelly's position in the White House certainly seems like it would work to Duke's benefit as she continues with many of the efforts that he started, former DHS Chief of Staff Christian Marrone told MT. "Having Gen. Kelly there, who has an appreciation for the mission, and the breadth of the mission, the capability of the department, I think only enhances the department's standing, both in this administration, and I think bodes well for the future," Marrone said.

Moving along: Marrone added that we shouldn't expect to see Elaine Duke make any drastic changes to DHS' approach to overseeing security updates at all international airports with flights to the United States. Marrone, who is now senior vice president of external relations and chief of staff at CRSA, worked with Duke both at DHS and when she served as a member of the Homeland Security Advisory Council. He said Duke might have a different style from Kelly, but he believes the two were on the same page when it came to preventing terrorist attacks on airplanes. "I don't see a big drop off from any of the things that Secretary Kelly was attempting to do," Marrone said. "She's been working on the issues with him, and so I think she'll just continue to make improvements to aviation security that they think are necessary."

In the air: Trump still hasn't given any signals (or sent out any tweets) about who he plans to nominate to permanently fill the DHS vacancy. Duke, who has worked for both Republican and Democrat administrations, could be seen as a non-partisan choice. Marrone said that House Homeland Security Committee Chairman Michael McCaul (R-Texas) could also easily win confirmation since he is a "well-known entity" with deep knowledge of the department. Whomever the administration nominates, it needs to be someone who isn't surrounded by controversy, he said. "You can't have someone who is going to be a lightning rod because it won't happen. So I think that disqualifies a number of folks who you hear mentioned," Marrone said.

Don't forget about us: Just a reminder that the other potential picks for DHS chief include Thomas Homan, acting director of U.S. Immigration and Customs Enforcement, and Kansas Secretary of State Kris Kobach, who is helping to lead Trump's controversial commission on alleged voter fraud.

GOTTA HAVE FAITH: Elsewhere within DHS, Coast Guard Commandant Paul Zukunft said he would try to shield his service members from a possible ban on transgender individuals serving in the military, POLITICO's Gregory Hellman [reports](#). The president has yet to issue a formal order that would prevent people who are transgender from serving in the military. If it is formalized, the ban could apply to the Coast Guard, which the president can transfer to the Navy during wartime. Zukunft said he has reached out to the secretaries of DHS and DOD to discuss the possible implications of a ban and has told transgender Coast Guard personnel that he "will not break faith" with them.

CAN WE TALK? Top officials from DHS and CBP met with privacy groups on Tuesday to discuss the roll out of CBP's biometric exit program to airports and other ports of entry throughout the United States. John Wagner, deputy executive assistant commissioner of CBP's field operations, used the meeting as an opportunity to "reiterate CBP's commitment to protecting traveler's privacy," the agency said in a press release.

Down to the nitty, gritty: The meeting comes less than two weeks after the Electronic Privacy Information Center asked a D.C. federal judge to order CBP to disclose how it uses biometric information collected at entry and exit points. CBP currently uses facial recognition technology at five U.S. airports, including Washington Dulles International and Hartsfield-Jackson Atlanta International. "CBP has and will continue to engage our privacy office at every step in the process to add biometric to the departure process from the United States," Wagner said.

SHIFTING GEARS: D.C. Mayor Muriel Bowser [named](#) Jeff Marootian interim director of the District Department of Transportation, effective Aug. 11. Marootian, now DDOT's deputy director, was assistant secretary for administration at DOT from 2015 to 2017. (h/t former FRA Administrator [Sarah Feinberg](#))

THE AUTOBAHN:

- "Kelly eyes DHS spokesman for communications director, sources say." [CNN Money](#).
- "Comments are in on Coast Guard's proposed Mar-a-Lago security zones." [Palm Beach Post](#).
- Sen. [Ron Wyden](#) "unveils bill to lift embargo on Cuba." [POLITICO Pro Trade](#).
- "CSX chief executive attributes service disruptions to employee push-back." [Reuters](#).
- "Big leadership shake-up rocks Port Authority." [NJ.com](#).
- "The same company that pushed Uber out of China is now backing its rival in Europe and

Africa." [Quartz](#).

- "Schumer to Trump: Block Chinese investment in U.S. to force action on North Korea." [POLITICO Pro Trade](#).

- "PSA moves swiftly to stamp authority on Opel/Vauxhall." [Reuters](#).

- "Auto giants help make Angela Merkel's conservatives Germany's top fundraisers." [POLITICO Europe](#).

THE COUNTDOWN: DOT appropriations run out in 59 days. The FAA reauthorization expires in 59 days. Highway and transit policy is up for renewal in 1,155 days.

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